

ASSIGNMENT OF MANAGEMENT AGREEMENT

THIS ASSIGNMENT OF MANAGEMENT AGREEMENT (“Assignment”) is made and entered into as of _____, 200__, by and between [borrower], a California limited partnership (“Borrower”), [manager] (“Manager”), and California Housing Finance Agency (“Lender”).

RECITALS

A. Lender has made, or has agreed to make, a loan to Borrower in the principal amount of \$[loan amount] (“Loan”) which is or will be evidenced by, among other things, a promissory note executed by Borrower in favor of Lender in the principal amount of the Loan (“Note”).

B. The Note and certain other obligations of Borrower under the Loan are secured by, among other things, that certain Construction Deed of Trust With Absolute Assignment of Leases and Rents, Security Agreement and Fixture Filing of even date herewith (“Deed of Trust”) executed by Borrower. The Deed of Trust shall encumber certain real property situated in the County of [county], State of California, all as more particularly described therein (the “Property”).

C. Borrower and Manager have previously entered into that certain Management Agreement dated _____, 200__, as amended (“Management Agreement”).

D. As a condition to the Loan, Lender has required that Borrower and Manager execute and deliver this Assignment.

NOW, THEREFORE, for good and sufficient consideration and subject to the terms and conditions of this Agreement, Borrower and Manager acknowledge, represent and agree for the benefit of Lender, with knowledge that Lender is relying thereon, as follows:

AGREEMENT

1. Assignment. Borrower hereby assigns, conveys and transfers to Lender all of Borrower’s right, title, interest, privileges, benefits and remedies in, to and under that certain Management Agreement, and all amendments, modifications, supplements and addenda thereto. Manager consents to such assignment.

2. Performance of Agreement. Borrower and Manager shall faithfully abide by and perform and discharge each and every obligation, covenant and agreement to be performed by Borrower or Manager under the Management Agreement, and Borrower and Manager shall enforce or secure the performance of each and every obligation of the other party under the Management Agreement.

3. Representations. Borrower and Manager each as to itself represent that:

a. Management Agreement Effective. The Management Agreement has been duly executed and delivered by Borrower and Manager and, subject to the terms and conditions thereof, the Management Agreement is in full force and effect, the obligations of Borrower and Manager thereunder are valid and binding and there have been no modifications or additions to the Management Agreement, written or oral;

b. No Default. To the best of Borrower’s and Manager’s knowledge, as of the date hereof: (i) there exists no breach, default, or event or condition which, with the giving of notice or the passage of time or both, would constitute a breach or default under the Management Agreement;

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and (ii) there are no existing claims, defenses or offsets against rental due or to become due under the Management Agreement; and

c. Entire Agreement. The Management Agreement constitutes the entire agreement between Manager and Borrower with respect to the management of the Property.

d. Compliance with Laws and Contracts. To Borrower's and Manager's knowledge, the Property is in compliance with all laws, leases, contracts, instruments and encumbrances which affect the Property.

4. Covenants of Borrower and Manager. Borrower and Manager covenant and agree that during such time as Lender is the Beneficiary under the Deed of Trust:

a. Modification, Termination and Cancellation. The Management Agreement shall not be modified, or amended (in whole or in part) or terminated without Lender's prior written consent; and

b. Notice of Default. Manager will notify Lender in writing concurrently with any notice given to Borrower of any default by Borrower under the Management Agreement. Borrower and Manager agree that Lender has the right (but not the obligation) to cure any breach or default specified in such notice within the time periods set forth below and Manager will not declare a default of the Management Agreement, as to Borrower, if Lender cures such default within thirty (30) days from and after the expiration of the time period provided in the Management Agreement for the cure thereof by Borrower; provided, however, that if such default cannot with diligence be cured by Lender within such thirty (30) day period, the commencement of action by Lender within such thirty (30) day period to remedy the same shall be deemed sufficient so long as Lender pursues such cure with diligence.

5. Rights after Foreclosure. Manager expressly agrees that in the event Lender acquires title to the Property through foreclosure or deed-in-lieu of foreclosure:

a. Notwithstanding anything to the contrary contained in the Management Agreement, the Management Agreement may be terminated upon thirty (30) days written notice from Lender to Manager; and

b. Lender shall not be liable for any act, omission, or default of Borrower under the Management Agreement.

6. Miscellaneous.

6.1. Heirs, Successors, Assigns and Transferees. The covenants herein shall be binding upon, and inure to the benefit of, the heirs, successors and assigns of the parties hereto.

6.2 Notices. All notices or other communications required or permitted to be given pursuant to the provisions hereof shall be deemed served upon delivery or, if mailed, upon the first to occur of receipt or the expiration of three (3) days after deposit in United States Postal Service, certified mail, postage prepaid and addressed to the address of Manager, Borrower, or Lender appearing below:

Manager: [manager]

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Borrower: [borrower], a California limited partnership

Lender: California Housing Finance Agency
Office of General Counsel
1415 L Street, Suite 500
Sacramento, California 95814
CalHFA Project No.:

provided, however, any party shall have the right to change its address for notice hereunder by the giving of written notice thereof to the other party in the manner set forth in this Assignment.

6.3 Counterparts. This Assignment may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute and be construed as one and the same instrument.

6.4 Remedies Cumulative. All rights of Lender herein to collect rents on behalf of Borrower under the Management Agreement are cumulative and shall be in addition to any and all other rights and remedies provided by law and by other agreements between Lender and Manager or others.

6.5 Paragraph Headings. Paragraph headings in this Assignment are for convenience only and are not to be construed as part of this Assignment or in any way limiting or applying the provisions hereof.

IN WITNESS WHEREOF, the parties hereto have executed this Assignment as of the day and year first above written.

BORROWER

[BORROWER],
a California limited partnership

By: [General Partner], a California
nonprofit public benefit corporation,
Its General Partner

By: _____
Name: _____
Title: _____

MANAGER

[MANAGER]

By: _____
Name: _____
Title: _____

LENDER

CALIFORNIA HOUSING FINANCE AGENCY,
a public instrumentality and political subdivision
of the State of California

By: _____
Name: _____
Title: _____

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EXHIBIT A

Property Description